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SECURITY INFORMATION
G-2 CONTRIBUTION TO THE ARMY-Declass/Release
Instructions On File*

I. THE CHINESE COMMUNIST SITUATION

A. 1. Eight armies of the Third Field Army totaling 240,000 troops in Chekiang and Fukien Provinces, and 9,000 troops of the Fourth Field Army in Eastern Kwangtung Province are now in position for possible operation against Taiwan. If this entire force were employed, and unless reinforcements were received from adjacent areas, coastal defense and local security would become the responsibility of the Military District and "People's Militia" troops. These forces would be available for use against Taiwan regardless of the outcome of the cease-fire negotiations, even if full-scale hostilities are resumed in Korea.

2. Virtually all of the armies in the Third Field Army have received some training, of unknown degree, in amphibious warfare. Their combat effectiveness is rated generally good.

3. Reports have been received indicating that at least 25,000 troops have received airborne training in North China and Manchuria, but the extent and nature of this program are not known.

4. There has been no significant change, since the publication of NIE-27, in the Chinese Communist ground forces positioned for possible operations against Taiwan.

B. Additional forces that the Chinese Communists could make available for an assault on Taiwan under present circumstances include 3 armies totalling 81,000, of the Third Field Army, 10,000 special troops presently located in the Shanghai area, and 2 armies, totalling 60,000, of the Fourth Field Army in the Canton Area. These same forces would still be available if full-scale hostilities were resumed in Korea. In case of an armistice in Korea, as many as 10 additional armies, totalling 300,000 troops could be redeployed to the mainland invasion coast.

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C. Major deficiencies in the Chinese Communist Army exist in artillery, supporting weapons, and in vehicles for the movement of supplies. The Soviet Union probably could make up these deficiencies.

D. 1. Under existing conditions or in case of an extension of hostilities in Korea, the Chinese Communists could employ against Taiwan, 13 Armies, totaling 390,000 men, 25,000 parachute troops and 10,000 special troops including an artillery division. This total could easily be increased to 500,000 in case of an armistice in Korea.

2. April and May are considered the best months for large-scale amphibious operations against the island.

3. Present air reconnaissance of the China coast might not detect a Communist invasion fleet prior to embarkation. Increased Communist security measures would probably delay the receipt of information regarding the movement of troops and supplies to embarkation points but some indication of preparations would probably be available.

4. Sufficient manpower for replacement needs would be readily available. Adequate supplies would undoubtedly be stockpiled in advance from Chinese Communist and USSR sources. The rate of availability of supplies would be determined by the course of events in Korea. Control of the Formosan Straits, however, would be essential to maintaining the substantial daily waterlift required during the initial stages of the operation.

II. THE CHINESE NATIONALIST SITUATION

A. The Chinese Nationalist Army has a strength of 455,000 personnel organized into 38 infantry divisions, 4 armored groups, 1 paratroop group, 3 fortress commands and 5 independent artillery regiments. The bulk of these forces is disposed in Taiwan; some combat elements are located on Matsu, Tachen, Quemoy, and the Pescadores Islands. This represents no appreciable change since the publication of NIE-27. Because of materiel and training deficiencies, absence

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of large unit and combined training, and the type of leadership on the higher levels, the combat effectiveness of much of the Nationalist Army is poor.

B. 1. The Generalissimo's policy of divide and rule, the promotion of officers based on personal allegiance and the system of political police continue to affect the morale of the armed forces adversely and to undermine the authority of unit commanders.

B. 2. While a certain degree of factionalism exists in the Chinese Nationalist Government, the government remains, nevertheless, relatively stable. Serious factional strife is not expected so long as President Chiang Kai-shek heads the government. He has had long experience in maintaining his authority in spite of factional rivalries. Much of his power, as undisputed leader has been derived from the fact that all factions have been forced to acknowledge him as the supreme arbiter in settling factional disputes and rivalries.

The sudden removal of Chiang Kai-shek from the political scene would, however, have far reaching consequences. Violent factional strife is not considered inevitable, but it is highly doubtful that any other Chinese Nationalist can command a like degree of loyalty, obedience, and unity of purpose. The settlement of differences and the accommodation of rivals would be more difficult to achieve. Singleness of purpose to return to the mainland would undoubtedly be weakened. Because of the intensely personal nature of loyalty in the armed forces, any rivalries between various military leaders would considerably weaken morale.

3. Under present circumstances, the mobilization capacity of the Chinese Nationalists is negligible and the mass induction of young men on the island is not feasible unless the U.S. greatly expands its proposed MDAP.

C. The Chinese Nationalists have effectively reduced the Communist subversive potential on Taiwan. The potential no longer constitutes a serious threat and would not, even if internal Communist activities were coordinated with a Communist invasion. However, Communist personnel, infiltrated into Taiwan prior to any attempted assault, would engage in sabotage.

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III. PROSPECTS FOR SUCCESS OF A CHINESE COMMUNIST ASSAULT ON TAIWAN

A. Nationalist capabilities to defend Taiwan.

1. Without substantial U.S. armed participation, the Nationalists probably could not defend Taiwan against a maximum Chinese Communist effort.

2. Surprise raids against Taiwan would probably penetrate the defense of that island. Nationalist forces, however, are capable of successfully containing and destroying such attacking forces unless the raiders are aided by large-scale Chinese Communist reinforcements.

The Nationalists have received considerable quantities of ammunition and spare parts as well as limited amounts of small arms on Taiwan within the past several months. Major deficiencies still exist in small arms, artillery, tanks, vehicles, signal and engineer equipment and spare parts of all types. With full and immediate implementation of FY 51 and FY 52 MDAP and with adequate time for reorganization and training under MAAG supervision, the Chinese Nationalist Army would be capable of successfully carrying out its part in a combined defense of Taiwan. This assumes strong support from air and naval elements.

IV. FACTORS INFLUENCING CHINESE COMMUNIST ACTIONS WITH RESPECT TO TAIWAN

A. Sino-Soviet propaganda and diplomacy indicate that the occupation of Taiwan probably is military objective second only to Korea in importance. Lack of naval forces, continuation of the Korean operations, and interdiction by the U.S. Seventh Fleet will probably continue to delay the fulfillment of Communist ambitions with respect to Taiwan. In the meantime, however, the Communist will probably attempt to gain the Island by political means, either in connection with the Korean truce talks, or negotiations involving over-all Far Eastern affairs.

B. The present U.S. policy concerning Taiwan is to enable the Chinese Nationalists to prevent the capture of Taiwan by the Communists, and also to prevent Taiwan from being used as a base of Nationalist operations against the mainland. This policy unquestionably has provided a strong deterrent to any contemplated operation by the Communists against the Island.

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V. WHAT ARE THE INDICATIONS OF CHINESE COMMUNIST COURSES OF ACTION WITH RESPECT TO TAIWAN?

A. Military preparations - Although some units in Chekiang and Fukien Provinces have engaged in amphibious training within the past few months, there are no discernible indications of Chinese Communist preparations for an immediate assault on Taiwan. Troop strength in East China since July 1951 shows no significant change. Replacements have been sent to Korea, but these losses have been made up by additional recruiting. No reports have been received which would indicate the massing of vessels, troops, or supplies necessary for an attempted invasion of Taiwan.

VI. CHINESE COMMUNIST COURSES OF ACTION WITH RESPECT TO TAIWAN

While sufficient intelligence is not available upon which to base a firm estimate of Chinese Communist courses of action through mid-1952, it is believed that:

1. Under present conditions the probability of an attempted invasion of Taiwan during 1952 appears remote. The elimination of the Chinese Nationalist forces on Taiwan is not considered sufficiently important to warrant exposure to U.S. counteraction, except as a calculated risk which might be a part of Communist over-all strategy.
2. While the Chinese Communists (with substantial Soviet materiel aid, possess the military capability of conducting simultaneous operations against Taiwan and Korea, they will probably not accept the critical risks inherent in such simultaneous operations. In the event the Chinese Communists should be relieved of military commitment in Korea, the possibility of an attack against Taiwan would increase measurably.
3. If a Korean armistice is concluded and is followed by political discussions covering Far East issues generally, the Chinese Communists will probably not attempt to invade Taiwan while such discussions are in progress. It is more probable that they would attempt to obtain in the discussions an acceptable settlement of the question of Taiwan and at the same time weaken the U.S. position vis-a-vis the UN and Asiatic peoples.

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4. If they fail to gain an acceptable settlement in such a general conference or if the conference is limited to the subject of Korea alone, the Chinese Communists would still probably not attack Taiwan so long as the mission of the Seventh Fleet remains unchanged. However, any threat to an area assigned a higher U.S. priority for defense which would preclude the commitment of substantial U.S. air and naval participation in defense of Taiwan would critically increase the chances of a Chinese Communist invasion of Taiwan.

5. During 1952 the Chinese Communists may attack and capture some or all of the Nationalist-held off-shore islands, but such action would not necessarily indicate that an invasion of Taiwan was imminent.

6. In case of the eruption of prolonged factional strife over control of the Nationalist Government, the Nationalist defensive capabilities would be further weakened. Even under such circumstances, however, the critical factor that would determine the Chinese Communists' decision to invade Taiwan would probably be their estimate of the capability of the United States to maintain its present policy regarding Taiwan.

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